

AGENDA
City of Lynnwood
Transportation Benefit District (TBD) Board
Council Chambers, City Hall
19100 44th Avenue W, Lynnwood, WA, 98036

Special Meeting
November 22, 2010
6:00 P.M.

- 10 Call to Order**
- 20 Roll Call**
- 30 Approval of Minutes – Special Meeting October 11, 2010**
- 40 Public Hearing on Ordinance #1 of the City of Lynnwood Transportation Benefit District authorizing a vehicle license fee, and fixing a time when the same shall become effective.**
 - A Public Hearing**
 - B Consideration, discussion, and possible action on said Ordinance**
- 50 Consideration, discussion, and possible action on the following interlocal agreements:**
 - A Interlocal between the TBD and the City of Lynnwood**
 - B Interlocal between the TBD and the Washington State Department of Licensing**
 - C Interlocal between the TBD and the Cities Insurance Association of Washington**
- 60 Adjournment**

Transportation Benefit District Board

Item 30

**City of Lynnwood
Special Meeting
November 22, 2010
6:00 P.M.**

TITLE: Approval of Minutes – Special Meeting October 11, 2010

DEPARTMENT: Public Works

DEPARTMENT CONTACT: Jeff Elekes and David Mach

BACKGROUND: At the May 24, 2010 Business Meeting, City Council approved Ordinance #2837, which amended the Lynnwood Municipal Code enacting a new chapter, Transportation Benefit District (TBD), effectively establishing the district. The governing board of the TBD is the Lynnwood City Council acting in an ex officio and independent capacity per RCW 36.73.020(3).

The October 11, 2010 TBD meeting was the third meeting of this newly formed entity.

ACTION: Approve the meeting minutes from the October 11, 2010 Special Meeting.

ATTACHMENTS:

1) Special Meeting Minutes October 11, 2010

CITY OF LYNNWOOD
TRANSPORTATION BENEFIT DISTRICT BOARD MEETING MINUTES
October 11, 2010

10. CALL TO ORDER – The third meeting of the City of Lynnwood Transportation Benefit District (TBD) Board, held in the Council Chambers of Lynnwood City Hall, was called to order by Board President Simmonds at 6:02 p.m. on October 11, 2010.

20.

ROLL CALL

Board President Loren Simmonds

Board Member Ted Hikel

Board Member Jim Smith

Board Member Mark Smith

Board Member Kerri Lonergan-Dreke

Board Member Kimberly Cole

Others Attending:

Public Works Director Bill Franz

Deputy PW Director Elekes

City Attorney Larson

Project Manager Mach

Asst. City Administrator Art Ceniza

Council Assistant Beth Morris

30. APPROVAL OF MINUTES

Regular Meeting August 9, 2010

Motion made by Board Member Mark Smith, seconded by Board Member Jim Smith, to approve the minutes as presented. Motion passed unanimously.

40. Presentation and Discussion:

Public Works Director Franz introduced the topic of transportation needs and funding.

- Transportation needs and overall financial plan

Deputy PW Director Elekes reviewed a PowerPoint presentation showing the transportation needs and overall financial plan as contained in the Board's packet on pages 40-7 through 40-9.

- TBD funding options and revenue projections

Project Manager David Mach reviewed the revenue projections of different funding options on pages 40-4. Options include the Vehicle Registration Fee which could generate approximately \$421,560 annual revenue (\$20 TBD vehicle fee) up to \$2,107,800 annual revenue (\$100 TBD vehicle fee). Another option is the Sales Tax funded TBD which could generate approximately \$3.9 Million annually at a 0.2% (maximum) sales tax increase. He went on to review the Pros and Cons as laid out on page 40-5. He stated that approximately 75% of the revenue generated by a sales tax funded TBD would be generated by non-Lynnwood residents.

1
2 • Public Outreach
3

4 Public Works Director Franz then reviewed the Next Steps shown on page 40-5. He
5 explained that they would like to come back in January with a schedule and a model
6 for how they would go out for public outreach from February through April and
7 then come back to the Board in April or May with a report and recommendations on
8 how to move forward. He reviewed the Policy Questions on page 40-6.
9

10 • Council Q&A:
11

- 12 ○ Board Member Hikel stated that he had no problems with the questions.
13 ○ Board President Simmonds stated that he is comfortable, in principle, with
14 what they have laid out. He referred to the Memorandum that came out of the
15 Traffic Task Group which suggested that the projects be prioritized. He thought
16 this was a good idea, but wondered who should do the prioritizing. Deputy PW
17 Director Elekes referred to Attachment A on page 40-10 and explained that for
18 the Non-Motorized Improvements they do have a prioritization ranking criteria
19 system that is in place. Regarding Capacity Projects, the challenge with
20 prioritizing them is that it is a function of their ability to obtain a grant. Public
21 Works Director Franz added that over a 20-year period of time the goal is to do
22 them all.
23 ○ Board Member Lonergan asked for more detail about the bicycle projects listed
24 on page 40-11. Project Manager Mach indicated that staff could provide that.
25 He added that staff intends to give Council a full update on the Non-Motorized
26 System.
27 ○ Board Member Jim Smith spoke in support of prioritizing the transportation
28 needs. He was under the impression that the list was a wish list, not a list of
29 necessary projects. Board Member Jim Smith added that many of these types of
30 projects have been funded in the past by other means. Staff explained that in
31 the funding model there is a consideration of grants at historic levels.
32 ○ Board Member Cole asked if there is a threshold amount that they are spending
33 on Non-Motorized projects. Staff replied that it was 20%.
34 ○ Board Member Mark Smith asked about the policy questions. Deputy PW
35 Director Elekes explained that they hoped to go through those with the Board
36 tonight, but especially the last one. Board Member Mark Smith said he was
37 fine with most of the questions, especially with going out to the public and
38 seeing how they want to fund the transportation infrastructure. He thought that
39 the third question on wanting \$20 is a little premature if they plan on going out
40 to the public. Staff explained that the reason they felt compelled to ask the
41 question was due to the desperate budget situation. Board Member Mark Smith
42 did not feel tonight was the time to discuss that. He felt that they should wait
43 until the Council is done with the budget presentations.
44 ○ Board Member Cole clarified that if there was a time when they wanted to
45 revisit the \$20 they could call a special meeting of the Transportation Benefit
46 District Board. Board President Simmonds affirmed that they could.

- Board Member Hikel thought that based on this schedule they are looking at a year and a half to two years before anything could happen. He spoke in support of having another special meeting before the end of this year after they have dealt with the budget and at that time decide if they might impose a \$10 or \$20 vehicle registration fee to get something going. He agreed with his prior statement that if they have the \$20 registration fee he would want it stated that if the voters pass the sales tax, then the \$20 vehicle registration fee would be removed.
- Board President Simmonds asked the City Attorney about the timeline. City Attorney Larsen responded. Board President Simmonds asked about Board Member Hikel's suggestion about repealing the vehicle registration fee if the sales tax is approved by voters. City Attorney Larsen said they could repeal it.

- \$20 Vehicle Registration Fee Reconsideration Discussion:

- Board Member Jim Smith recommended that they wait until after the budget process.
- Board Member Lonergan agreed that they should wait until after the budget process, but before the end of the year.
- Director Franz commented that it could be ready before January 2011 if Council wanted to meet sooner.
- Board Member Cole had no comments.
- Board Member Hikel asked City Attorney if the Chair could call a meeting. City Attorney Larsen replied that the Chair could call the meeting. She added that since they are all here now they could do it tonight.
- Board Member Jim Smith said he would like to see it in January since there is so much on the calendar right now.

Board President Simmonds moved that they schedule a Special Meeting on January 10, 2011 at 6:00 p.m. to discuss the next steps with staff. There was a consensus on this.

Board President Simmonds recommended that when they speak with the public they thoroughly educate them about the options. He also suggested that staff identify best potential funding sources for each proposed project. Staff indicated that they could provide this.

There was discussion about selecting a new Board Vice President. Board President Simmonds explained that they were going to wait until they have the 7th Council Member to do this. Board Member Jim Smith recommended that the Council President be allowed to temporarily open the meeting if the Chair is not here. There was consensus that Council President/Board Member Mark Smith be elected temporary Vice Chair.

50. ADJOURNMENT .

1 The meeting was adjourned at 6:49 p.m.
2
3
4

5 _____
6 Loren Simmonds, TBD Board President
7
8
9

10 _____
11 Patrick Dugan

Interim Finance Director, acting as Board Treasurer

Transportation Benefit District Board

Item 40A

**City of Lynnwood
Special Meeting
November 22, 2010
6:00 P.M.**

TITLE: Conduct a Public Hearing on Ordinance #1 of the City of Lynnwood Transportation Benefit District authorizing a vehicle license fee, and fixing a time when the same shall become effective.

DEPARTMENT: Public Works

DEPARTMENT CONTACT: Jeff Elekes and David Mach

BACKGROUND: If adopted by the TBD Board, TBD Ordinance #1 authorizes the following:

- 1) An annual \$20 vehicle registration fee
- 2) Establishes June 1, 2011 as the date when the fee becomes effective
- 3) Clearly identifies the following transportation projects and ongoing transportation programs:
 - a) City of Lynnwood Street Fund 111
 - b) Pavement Overlay Program
 - c) Traffic Signal Rebuild Program
 - d) Traffic Signal Reconstruction: Scriber Lake Road at 196th Street SW
 - e) 48th Avenue W Sidewalk: 183rd Place SW to 180th Street SW

A Public Hearing is being held to give the TBD Board an opportunity to hear comments from the public and also as required by RCW 36.73.050. The meeting was advertised in the Everett Herald and on the TBD web site which can be viewed at the following:
<http://www.ci.lynnwood.wa.us/tbd>

ACTION: Conduct a public hearing.

ATTACHMENTS:

- 1) TBD Ordinance #1

1
2
3 **CITY OF LYNNWOOD**
4 **TRANSPORTATION BENEFIT DISTRICT**

5
6 **ORDINANCE NO. 1**
7

8
9 AN ORDINANCE OF THE CITY OF LYNNWOOD,
10 WASHINGTON, TRANSPORTATION BENEFIT DISTRICT
11 AUTHORIZING A VEHICLE LICENSE FEE AND
12 AUTHORIZING CERTAIN PROJECTS TO BE FUNDED; AND
13 PROVIDING FOR SEVERABILITY, ESTABLISHING AN
14 EFFECTIVE DATE, AND PROVIDING FOR SUMMARY
15 PUBLICATION.

16
17
18 WHEREAS, Chapter 36.73 RCW and RCW 35.21.225 authorize the City of
19 Lynnwood City Council to establish a Transportation Benefit District within the City's
20 jurisdiction for the purpose of acquiring, constructing, improving, providing, and funding
21 transportation improvements within the district that are consistent with existing state, regional,
22 and local transportation plans and necessitated by existing or reasonably foreseeable congestion
23 levels; and

24
25 WHEREAS, the City Council of the City of Lynnwood found it to be in the best
26 interests of the City to establish a citywide Transportation Benefit District consistent with
27 Chapter 36.73 RCW, to protect the City's long term investments in that infrastructure, to reduce
28 the risk of transportation facility failures and improve safety, to continue optimal performance of
29 the infrastructure over time, and to avoid more expensive infrastructure replacements in the
30 future; and

31
32 WHEREAS, in Ordinance No. 2837, the City Council of the City of Lynnwood
33 established a Transportation Benefit District as authorized by RCW 35.21.225 and subject to the
34 provisions of RCW 36.73; and

35
36 WHEREAS, the Transportation Benefit District includes the entire City of
37 Lynnwood as the boundaries currently exist or as they are expanded upon annexation; and

38
39 WHEREAS, pursuant to RCW 36.73.030(3), the members of the City Council,
40 acting ex officio and independently, constitute the governing body of the Transportation Benefit
41 District; and
42

1 WHEREAS, RCW 36.73.065 authorizes a Transportation Benefit District to
2 impose, by majority vote of the district's governing board, up to \$20 of the vehicle fee
3 authorized in RCW 82.80.140; and
4

5 WHEREAS, the Board of the City of Lynnwood Transportation Benefit District
6 held a public hearing on November 22, 2010 to solicit public comment regarding the proposed
7 vehicle fee and the projects to be funded; and
8

9 WHEREAS, the Board of the City of Lynnwood Transportation Benefit District
10 finds it in the best interests of the District to establish an annual vehicle fee in the amount of \$20
11 for the purpose of making transportation improvements that preserve, maintain, and improve the
12 transportation infrastructure of the City of Lynnwood, consistent with Chapter 36.73 RCW; and,
13

14 WHEREAS, the Board of the City of Lynnwood Transportation Benefit District
15 has determined that fee collection shall begin as of June 1, 2011; and,
16

17 WHEREAS, the Board of the City of Lynnwood Transportation Benefit District
18 finds it in the best interest of the District to fund Street Fund 111 and four projects/programs in
19 the City of Lynnwood Capital Facilities Plan, as stated in Section 3 below; NOW,
20 THEREFORE,
21

22 THE BOARD OF THE CITY OF LYNNWOOD, WASHINGTON,
23 TRANSPORTATION BENEFIT DISTRICT, DO ORDAIN AS FOLLOWS:
24

25 Section 1. Establishment of Annual Vehicle Fee. An annual vehicle fee in the amount of \$20 is
26 hereby established, consistent with RCW 36.73.065, to be collected by the Washington
27 Department of Licensing on qualifying vehicles as set forth in RCW 82.80.140 and Chapters
28 36.73 and 46.16 RCW.
29

30 Section 2. Effective Date of Fee Collection. The vehicle license fee shall take effect for vehicle
31 license renewals due on or after June 1, 2011, or as soon thereafter as the Washington
32 Department of Licensing is reasonably able to incorporate collection of the \$20 fee. Vehicle
33 license fees will not be collected sooner than six months after approval as provided in RCW
34 82.80.140.
35

36 Section 3. Projects. The projects listed herein shall be funded:
37

- 38 1. City of Lynnwood Street Fund 111, in partnership with the City of Lynnwood.
- 39 2. Overlay Program, identified in the City of Lynnwood Six Year Transportation
40 Improvement Plan, in partnership with the City of Lynnwood.
- 41 3. Traffic Signal Rebuild Program, identified in the City of Lynnwood Six Year
42 Transportation Improvement Plan, in partnership with the City of Lynnwood.
- 43
- 44
- 45

40A-3

4. Traffic Signal Reconstruction: Scriber Lake Road at 196th Street SW, identified in the City of Lynnwood Six Year Transportation Improvement Plan, in partnership with the City of Lynnwood.

5. 48th Avenue W Sidewalk: 183rd Place SW to 180th Street SW, identified in the City of Lynnwood Six Year Transportation Improvement Plan, in partnership with the City of Lynnwood.

Section 4. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase or word of this ordinance.

Section 5. Effective Date. This ordinance shall take effect five (5) days after passage and publication of an approved summary thereof consisting of the title.

PASSED this _____ day of _____, 2010 and signed in authentication of its passage this _____ day of _____, 2010.

Loren Simmonds
TBD President

ATTEST:

APPROVED AS TO FORM:

Patrick L. Dugan
Interim Finance Director, acting as
Board Treasurer

Rosemary Larson
City Attorney, acting as Board Attorney

FILED WITH ADMINISTRATIVE SERVICES: _____

PASSED BY THE TRANSPORTATION BENEFIT DISTRICT BOARD: _____

PUBLISHED: _____

EFFECTIVE DATE: _____

ORDINANCE NUMBER: _____

Transportation Benefit District Board

Item 40B

**City of Lynnwood
Special Meeting
November 22, 2010
6:00 P.M.**

TITLE: Consideration, discussion, and possible action on Ordinance #1 of the City of Lynnwood Transportation Benefit District authorizing a vehicle license fee, and fixing a time when the same shall become effective.

DEPARTMENT: Public Works

DEPARTMENT CONTACT: Jeff Elekes and David Mach

BACKGROUND: See materials from the public hearing item 40A.

ACTION: Consider, discuss, and possibly adopt TBD Ordinance #1.

ATTACHMENTS:

1) TBD Ordinance #1 (see item 40A)

40B-1

Transportation Benefit District Board

Item 50A

**City of Lynnwood
Special Meeting
November 22, 2010
6:00 P.M.**

TITLE: Consideration, discussion, and possible action on an Interlocal between the TBD and the City of Lynnwood

DEPARTMENT: Public Works

DEPARTMENT CONTACT: Jeff Elekes and David Mach

BACKGROUND: The attached Draft Interlocal Agreement between the TBD and the City of Lynnwood, if adopted by both entities, will serve to help make the most efficient use of public monies, avoid duplication of effort, and coordinate their efforts. Section 1 outlines the purpose of the Agreement. Sections 2 and 3 define the obligations of the TBD and undertakings of the City. The Agreement also contains sections related to ownership, indemnification, termination, and effective date of the Agreement.

The proposed sequence of approval for this Interlocal Agreement is to obtain approval from the TBD Board for the TBD Board President to sign followed by obtaining City Council approval for the Mayor to sign.

The interlocal was modeled after the City of Olympia's which has been in effect since February 2009.

ACTION: Consider, discuss, and possibly authorize the TBD Board President to sign an interlocal agreement between the TBD and the City of Lynnwood.

ATTACHMENTS:

- 1) Interlocal agreement between the TBD and the City of Lynnwood

50A-1

1 **AN INTERLOCAL AGREEMENT BETWEEN**
2 **THE CITY OF LYNNWOOD, WASHINGTON, AND**
3 **THE LYNNWOOD TRANSPORTATION BENEFIT DISTRICT**
4

5 This agreement between the City of Lynnwood, Washington ("Lynnwood"), and the
6 Lynnwood Transportation Benefit District ("TBD"), each of whom is organized as a Municipal
7 Corporation under the laws of the state of Washington, is dated this _____ day of
8 _____, 2010.
9

10 WHEREAS, Chapter 39.34 RCW (Interlocal Cooperation Act) permits local
11 governmental units to make the most efficient use of their powers by enabling them to cooperate
12 on the basis of mutual advantage; and
13

14 WHEREAS, Lynnwood is empowered to operate, maintain, construct, and reconstruct,
15 public street infrastructure within its city limits in accordance with the powers granted pursuant
16 to RCW 35A.11.020 and Chapter 35A.47 RCW; and
17

18 WHEREAS, pursuant to Lynnwood Ordinance No. 2837, Lynnwood established the
19 TBD and authorized funding for any purpose allowed by law including to operate the District
20 and to make transportation improvements consistent with existing state, regional, and local
21 transportation plans and necessitated by existing or reasonably foreseeable congestion levels
22 pursuant to Chapter 36.73 RCW; and
23

24 WHEREAS, pursuant to TBD Ordinance No. 1, the TBD has authorized a vehicle license
25 fee and authorized certain projects to be funded; and
26

27 WHEREAS, Lynnwood and the TBD desire to better coordinate their efforts in order to
28 pursue their individual, joint and mutual rights and obligations to fulfill the intent of Lynnwood
29 Ordinance No. 2837; NOW, THEREFORE,
30

31 The parties have entered into this agreement in consideration of the mutual benefits to be
32 derived and to coordinate their efforts through the structure provided by the Interlocal
33 Cooperation Act.
34

35 1. Purpose and Interpretation. Lynnwood is empowered by Title 35A to construct,
36 reconstruct, maintain and preserve Lynnwood streets and other related public infrastructure
37 either by contract or through the use of Lynnwood forces. The TBD has been constituted in
38 accordance with state law to provide a source of funding for the maintenance and preservation of
39 streets and related infrastructure within the City limits of the Lynnwood. The TBD has no
40 employees and its officers are either Lynnwood City Council Members serving in an ex officio
41 capacity or are Lynnwood City employees designated to serve under the provisions of state law.
42 In order to make the most efficient use of public monies, to avoid duplication of effort and to
43 coordinate their efforts, the parties have entered into this agreement. In the event of ambiguity or
44 the need for guidance arises, this agreement shall be interpreted in accordance with the
45 provisions of Chapter 36.73 RCW, Lynnwood Ordinance No. 2837, TBD Ordinance No. 1, TBD
46 Resolution No. 1 (Charter), and the provisions of the Governmental Accounting Act and RCW

1 43.09.210 as the same exists or shall hereafter be amended. In the event that any provision of
2 this agreement is held to be in conflict with existing state statute or any future amendment
3 thereof, such provisions shall be severable, and the remaining provisions of this agreement shall
4 remain in full force and effect.

5
6 2. Obligations of the TBD. In accordance with the requirements of Chapter 36.73 RCW,
7 Lynnwood Ordinance No. 2837, TBD Ordinance No. 1, and TBD Resolution No. 1 (Charter), the
8 TBD agrees to:

9
10 2.1 Provide to Lynnwood all funding received from any and all lawful sources which
11 the TBD in its sole discretion may levy for the purpose of completing the TBD's authorized
12 projects.

13
14 2.2 Continue the annual provision of funding for the projects approved by the TBD,
15 so long as the TBD remains in existence. Such funding shall be in accordance with and limited
16 by the provisions of Lynnwood Ordinance No. 2837, TBD Resolution No. 1 (Charter), and
17 Chapter 36.73 RCW. By way of illustration and not limitation:

18
19 2.2.1 The TBD shall hold public hearings as required by its charter prior to
20 levying any charge, tax or fee and shall levy any charge, tax or fee only in accordance with law
21 and ordinance.

22
23 2.2.2 Develop an annual work plan and designate projects within its jurisdiction
24 for funding.

25
26 2.2.3 Pursuant to TBD Resolution No. 2 (Material Change Policy) adopted
27 pursuant to the requirements of RCW 36.73.160(1), the TBD shall consider at a minimum the
28 impacts and appropriate remedies if transportation improvements contained in its annual plan
29 exceed its original cost by more than 20%. The TBD shall consider the input from public
30 hearings and other sources as it determines how such cost changes should be resolved. The
31 obligations of this agreement shall be interpreted and applied in a manner consistent with this
32 adopted policy.

33
34 3. Undertakings of Lynnwood. Lynnwood shall:

35
36 3.1 Provide all staff and necessary related support to the TBD. The costs of such
37 support shall be accounted for as a part of the City's annual report to the District. TBD funding
38 shall first be applied to the reasonable charges incurred in establishing and staffing the TBD.
39 Annual services provided may include the services provided by the City Attorney, the City Clerk
40 when serving as the Clerk of the TBD, the City's Finance Director when serving as its Treasurer,
41 and other employees of Lynnwood that serve the TBD and any associated costs, including but
42 not limited to the preparation of an annual work plan, reporting, advertising, design, contracting,
43 construction management, accounting, and any and all other actual charges or Lynnwood/TBD
44 agreed upon percentage of charges associated with the proper application of TBD funding in
45 accordance with law and ordinance. In consideration of the benefits derived by Lynnwood,
46 overhead charges such as utilities, information technology, office supplies, and equipment shall

1 be a contribution of Lynnwood to the parties' joint goals and objectives and need not be directly
2 charged to the TBD.

3
4 3.2 Maintain for the period established by the State Archivist retention schedule,
5 financial records, kept in accordance with generally accepted accounting practice and
6 governmental accounting requirements, as necessary to document that any and all funding
7 received through the TBD is used only for the projects authorized in accordance with law and
8 ordinance.

9
10 3.3 Immediately alert the TBD of any material changes in scope, schedule or cost
11 increases of 20% or greater to Improvements funded in part or whole with TBD funds.

12
13 3.4 Utilize all funding provided for projects shown on the TBD's annual work plan in
14 accordance with the TBD Resolution No. 2 (Material Change Policy), law, and ordinance.

15
16 4. Ownership. Streets and related transportation infrastructure preserved and maintained
17 with TBD funds are and shall remain the property of the City of Lynnwood. No joint property
18 ownership is contemplated under the terms of this agreement.

19
20 5. No Joint Board. No provision is made for a joint board. The TBD shall exercise its
21 function in accordance with its charter, using staff as provided by the City of Lynnwood,
22 pursuant to law and to this agreement.

23
24 6. Insurance; Indemnity.

25
26 6.1 The parties agree to participate in the Cities Insurance Association of Washington
27 (CIAW) insurance pool in accord with their respective interlocal agreements with the CIAW.
28 The original charge or premium for the TBD will be borne by Lynnwood as a cost to be covered
29 under Section 3.1 and shall be paid for with funds received from or through the TBD. In the
30 event that either or both cease to participate in the CIAW pool, the party or parties agree to
31 obtain comparable coverage.

32
33 6.2 Each party agrees to indemnify and hold harmless the other party, its officers,
34 agents and employees from any claim, loss or liability arising from or out of the other party's
35 negligent, tortuous, or illegal actions under this agreement.

36
37 7. Termination. This agreement shall terminate or expire as follows:

38
39 7.1 This agreement may be terminated by either party upon the provision of one
40 hundred and eighty (180) calendar days notice. A final reconciliation of costs, payment, and a
41 current report of completed activities shall be completed by Lynnwood within such period
42 following the notice by either party.

43
44 7.2 Unless sooner terminated by either party, this agreement shall expire on the date
45 when the District is automatically dissolved in accordance with provisions of 36.73 RCW and
46 Lynnwood Ordinance No. 2837, as the same exists or is hereafter amended.

50A-4

1
2 8. Effective Date. This agreement shall be effective upon the last authorizing signature
3 affixed hereto and when listed by subject on Lynnwood's website or other electronically
4 retrievable public source as required by RCW 39.34.040.
5

6 IN WITNESS WHEREOF, the parties have executed this agreement on the date first
7 written above.
8

9 CITY OF LYNNWOOD

LYNNWOOD TRANSPORTATION
BENEFIT DISTRICT

10
11
12
13
14 _____
15 Don Gough
16 Mayor

Loren Simmonds
TBD President

17
18 APPROVED AS TO FORM:
19

APPROVED AS TO FORM:
20

21
22 _____
23 Rosemary Larson
City Attorney

Assistant City Attorney

Transportation Benefit District Board

Item 50B

**City of Lynnwood
Special Meeting
November 22, 2010
6:00 P.M.**

TITLE: Consideration, discussion, and possible action on an Interlocal between the TBD and the Washington State Department of Licensing

DEPARTMENT: Public Works

DEPARTMENT CONTACT: Jeff Elekes and David Mach

BACKGROUND: The purpose of the attached Interlocal Agreement is to provide terms and conditions under which the Washington State Department of Licensing (DOL) shall administer and collect fees, on behalf of the Lynnwood TBD.

The attached Interlocal Agreement contains information related to such items as definitions, statement of work, period of performance, fee collection, TBD and DOL obligations, billing cycles, payment and reimbursement, records and documents, assurances, confidentiality, public records requests, liability, etc. Attachment A of the agreement contains a list of responsibilities of the TBD and DOL. Attachment B of the agreement contains a list of the vehicles subject to the vehicle fee under RCW 82.80.140. Attachment C of the agreement contains a list of the vehicles not subject to the vehicle fee under RCW 82.80.140. The DOL will deduct one percent (1%) of the fee collected for administration and collection expenses.

The interlocal was provided by the DOL and is very similar to the interlocal agreements the DOL has used with other Cities who have already enacted a vehicle registration fee funded TBD.

ACTION: Consider, discuss, and possibly authorize the TBD Board President to sign an interlocal agreement between the TBD and the Washington State Department of Licensing (this action is contingent on the approval of TBD Ordinance #1).

ATTACHMENTS:

- 1) Interlocal agreement between the TBD and the Washington State Department of Licensing

INTERLOCAL AGREEMENT
BETWEEN
THE STATE OF WASHINGTON DEPARTMENT OF LICENSING
AND
XXXXXXXXXX TRANSPORTATION BENEFIT DISTRICT

Upon execution, this Agreement is entered into by and between Washington State, Department of Licensing (hereinafter called "DOL" or Department"), and XXXXXXXXXXXX Transportation Benefit District, (hereinafter called Transportation Benefit District "TBD" or "Contractor").

City of XXXXXXXXXXXX
Transportation Benefit District
xxxxxxxxxx
XXXXXXXXXXXX, XXXXXXXX

Telephone: xxxxxx
FAX: (xxxxxx
E-Mail: xxxxxxxx

PURPOSE

Engrossed Substitute House Bill 1858, Chapter 329 Laws 2007, authorizes cities to establish transportation benefit districts (TBD) for the purpose of providing and funding transportation improvements within the TBD's jurisdiction.

The purpose of this Agreement is to provide terms and conditions under which DOL shall administer and collect fees on behalf of the TBD as provided by Agreement, according to RCW 36.73.065, RCW 46.12, RCW 82.80.140, WAC 308-10, Chapter 18 USC Sec. 2721 -2725 Driver Privacy Protection Act (DPPA), and Executive Order 97-01, and all applicable laws, and under the authorization of RCW 39.34 as currently written or hereafter amended.

THEREFORE, IT IS MUTUALLY AGREED THAT:

DEFINITIONS

As used throughout this Agreement the following terms shall have the meanings set forth below:

1. "Administrative and Collection Expenses" means direct and indirect costs associated with the collection of the TBD fees, including but not limited to information technology services to implement and support the collection of TBD fees; accounting for and payment of fees to the TBD; Contract administration; and management analysis as well as other incidental administrative overhead, and includes the costs associated with optional access to the IVIPS by TBD (under IVIPS Agreement).
2. "Authorized user" means TBD officers, and employees, or any other authorized agent or official of the TBD.
3. "Billing cycle" means the annual vehicle registration renewal.
4. "Confidential Information" means information that requires protection from unauthorized physical and electronic access. Confidential Information includes, but is not limited to, social security numbers, credit card information, driver license numbers, vehicle owner information, personal information, law enforcement records, agency security data, and banking profiles.

5. "Data" means information which may be confidential contained in the vehicle and/or vessel record provided to Contractor under this Agreement
6. "Data Requests" means requests made for vehicle owner data provided by a Secure Data Transfer (SDT) process, and is provided under a separate agreement, not to include use of the optional Internet Vehicle Information Processing System (IVIPS).
7. "Direct Cost" shall include, but is not limited to, all operating, equipment and personnel costs used to furnish the information, reruns and/or additional data runs, costs materials and data integrity costs directly related to the monthly production and maintenance of these data files.
8. "District" means all the territory within the boundaries of the Transportation Benefit District's jurisdiction establishing the district.
9. "DOL File" means the data file received by DOL from DOR used by DOL as the primary GIS data source to assess TBD fees.
10. "DOR" means Department of Revenue.
11. "GIS" means the Department of Revenue/Geographical Information System.
12. "Indirect Cost" shall include, but is not limited to, auditing, answering complaints, correspondence, administrative overhead, building rents, related utilities, and other expenses identified as indirect costs by the Director of DOL.
13. "IVIPS" means Internet Vehicle Information Processing System.
14. "Jurisdiction location code" means the four digit number that corresponds to a TBD jurisdiction that is used by DOL when assessing the TBD fee. The four digit number is derived from DOR's sales and use tax location code information.
15. "Next billing cycle" means the billing cycle that occurs during the 12th month following the current billing cycle. For example, if a renewal is sent for a due date in the month of January 2010, the next billing cycle will be January 2011.
16. "Personal Information" means information identifiable to any person, including, but not limited to, information that relates to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, social security numbers, driver license numbers, e-mail addresses, credit card information, law enforcement records or other identifying numbers or Protected Health Information, any financial identifiers, and other information that may be exempt from disclosure to the public or other unauthorized persons under either RCW 42.56 or other state and federal statutes.
17. "Subcontractor" means a person or entity not in the employ of the TBD named in this Agreement, but who is performing all or part of those services outlined in this Contract under a separate Agreement with the TBD. The terms "subcontractor" and "subcontractors" mean subcontractor(s) in any tier.

STATEMENT OF WORK

The parties to this Agreement shall furnish the necessary personnel, equipment, material and/or service(s) and otherwise do all things necessary for or incidental to the exchange of data as set forth in the *Statement of Work*, Attachment A, *Vehicles Subject to ESHB 1858*, Attachment B and *Vehicles Not Subject to ESHB 1858*, Attachment C that are attached and incorporated by reference.

PERIOD OF PERFORMANCE

Subject to its other provisions, this Agreement shall begin upon the **date of execution** by the parties and shall **extend through the life of the TBD** as defined in the ordinance establishing the TBD. This Agreement is subject to review by the parties every two years, or sooner as necessary to review applicable laws changes that affect this agreement and the provision herein, or as is otherwise required herein.

FEE COLLECTION

Fee collection may not be sooner than six (6) months from the signed and dated Ordinance creating the TBD fee. However, prior to any fee collection the following must occur:

TBD shall:

1. Provide DOL with a completed Vehicle/Vessel Disclosure Agreement Application.
2. Enter into the standard IVIPS agreement in accordance with RCW 46.12.380.
3. Provide DOL with a legible copy of the TBD's signed and dated Resolution or Ordinance documents and any related documents authorizing a specific fee amount.
4. Provide DOL with the DOR jurisdiction location code that will be used when determining which vehicles are subject to the fee.
5. Provide the TBD designated telephone number that will be printed in the fee notice text on renewal notices for any TBD fee inquiries.

Once Ordinance and contact information are received DOL Shall:

1. Make the necessary changes to add the fee and contact information to renewal notices. The changes may take approximately four (4) to six (6) months before the first fee notification will be printed on renewal notices.
2. Notify the TBD of the date the first renewal notice will contain TBD fees to be collected.

Collection start dates will vary depending on the necessary time required for DOL to establish the TBD fee collection setup. This is, in part, due to DOL's pre-existing billing cycles that require up to four (4) months to allow for changes to the special message in renewal notices and time to mail the notices before the vehicle's expiration date. The TBD fee collection notification may commence on the next scheduled billing cycle, after the collection setup is established and printing vendor notification has been made. The TBD fee will only be charged for vehicles that have an expiration date of the vehicle registration that is due on or after the first month DOL initiates the initial collection of the fee.

EXAMPLE OF BILLING CYCLE:

- If setup is established at least by April 1st, the first renewal notices will be mailed in June for vehicles with August expiration dates.
- If setup is established at least by April 15th, the first renewal notices will be mailed in July for vehicles with September expiration dates.

EXAMPLE OF WHEN DOL CHARGES THE FEE:

- If DOL starts to collect the fee effective with registrations that are due or become due on or after 9/1/2010, DOL will only charge customers if their vehicle registration expires on or after 9/1/2010 (renewing for 9/1/2011).

- DOL will NOT charge the fee if the customer renews late and the vehicle registration expired before the first month DOL started to collect the fee.
- DOL will charge the fee if the customer establishes a new expiration date for the vehicle registration that is after the month of the first fee collection.

PAYMENT/ REIMBURSEMENT

- DOL shall deduct a percentage amount, as provided in RCW 82.80.140, of one percent (1%) of the XXXXX fee collected for administration and collection expenses incurred.
- DOL shall set up the Vehicle Field System (VFS) to automatically deduct one percent 1% at the time of each transaction.
- The one percent (1%) fee also includes the TBD's optional access to the IVIPS, once an IVIPS agreement is executed.
- DOL shall certify the release of the proceeds to the state treasurer, and the state treasurer shall distribute the proceeds to the TBD on a monthly basis.
- The one percent (1%) fee is a maximum permitted by statute and is based in part upon the costs associated with implementing the administration and collection expenses for the collections for the TBD as one of the first such entities with the state to implement a license tab fee.

RECORDS AND DOCUMENTS

The parties to this Agreement shall each maintain books, records, documents and other evidence, which sufficiently and properly reflect all direct and indirect costs expended by either party in the performance of the service(s) described herein. These records shall be subject to inspection, review or audit by authorized personnel of either party, the Office of the State Auditor, and other government officials so authorized by law for the period such records are required to be retained according to the Washington State Retention Schedule.

Each party will utilize reasonable security procedures and protections to assure that records and documents provided by the other party are not erroneously disclosed to third parties, except as required by law.

ASSURANCES

DOL and the Contractor agree all activity pursuant to this Agreement will be in accordance with all applicable current or future federal, state and local laws, rules, and regulations.

CONFIDENTIALITY

Each party agrees to maintain the security of and protect all confidential information, data, and records provided directly or indirectly to the TBD by DOL to ensure that such information is safeguarded, used, and disclosed by the TBD in compliance with laws governing such information, data and records. The TBD shall provide right of access to the Department or any of its officers or agents upon reasonable notice, to inspect the system by which the TBD maintains such information.

Should DOL have reason to believe that the TBD is not properly safeguarding, using, or disclosing DOL records, DOL shall take the following approach:

- Provide notice to the TBD that details each issue DOL has determined to be problematic along with a method DOL considers to be appropriate to remedy the issue;
- Provide the TBD at least thirty (30) days to cure such issue, provided, however, that if cure requires the discipline of any employee or subcontractor, the period of cure shall be extended to include any appeal or other process required by law or collective bargaining agreement.
- If the TBD fails to cure to DOL's satisfaction, DOL has the option to terminate dissemination of DOL records and information to the TBD until the TBD provides sufficient security for DOL records. DOL must provide twenty (20) days notice to the TBD that it will terminate dissemination of DOL records;
- If DOL terminates dissemination of records to the TBD, the TBD may seek review by the Dispute Board. Judicial review may be sought in lieu of seeking review of the Dispute Board;
- If the Dispute Board fails to remedy the issue to the TBD and/or DOL's satisfaction, either party may seek judicial review.

PUBLIC RECORDS REQUESTS

For any public records request received by the TBD for confidential information, the TBD will coordinate with DOL in an effort to mutually agree upon the information to be disseminated. If the TBD and DOL disagree, the TBD will provide DOL at least ten (10) days in order to allow DOL to seek judicial review as provided under the Public Records Act.

Indemnity

- Except as specifically provided in this section, the parties have not agreed to indemnify or hold harmless each other:
- Each party agrees to hold harmless and indemnify the other from any claim, loss or liability arising from or out of the employment or contractual relationship of each parties' employees and subcontractors;
- DOL agrees to bear all costs associated with the resolution of fee payer disputes regarding statutory exemption from license fees and agrees to hold harmless and indemnify the TBD from such costs.
- TBD agrees to bear all costs associated with the resolution of fee payer disputes relating to the formation of the TBD, the levying of any charge or fee on matters relating to the residence of the fee payer or other disputes relating to the location of the vehicle or fee payer, and agrees to hold harmless and indemnify the DOL from such costs.
- The term "cost" as used herein refers to any and all administrative costs, court costs and reasonable attorneys' fees associated with resolution of any claim, loss or liability.

INDEPENDENT CAPACITY

The employees or agents of each party who are engaged in the performance of this Agreement shall continue to be employees or agents of that party and shall not be considered for any purpose to be employees or agents of the other party.

AGREEMENT ALTERATIONS AND AMENDMENTS

This Agreement may be amended by mutual consent of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

MEMORANDUM OF UNDERSTANDING (MOU)

Any communications that either Contract Manager determines to address more than day-to-day concerns, but do not modify the terms of this Agreement, shall be documented by a written, numbered and dated MOU.

TERMINATION BY LEGISLATIVE ACTION

This Agreement is terminated upon formal action of the State Legislature by enacting statutory prohibition. If this Agreement is terminated, DOL is entitled to payments required under the terms of this Agreement for services rendered prior to termination.

REMEDIES; DISPUTE RESOLUTION

The relationship of the parties is in part defined by statute. In recognition of the parties' relationship and the lack of alternatives for the collection of fee, the parties have established these provisions regarding their respective rights and remedies.

Dispute Resolution

The parties shall attempt to resolve any dispute between the parties regarding the interpretation or performance under this agreement at a staff level. If a party believes the other to be in breach of the agreement, it shall provide written notice of breach to the party via postage paid in the U.S. mail addressed as provided in *Contract Management*, Section. The alleged party in breach shall have ten (10) business days to either cure the breach or refer any dispute to arbitration by the Dispute Board.

The Dispute Board shall attempt to resolve the dispute in the following manner prior to seeking judicial review. Due to the critical nature of the parties statutory obligations, disputes regarding public records shall not be subject to this procedure, except as provided in *Public Records Request* and *Confidentiality* Sections. Additional procedures are provided for alleged breach of confidentiality.

- Each party to this Agreement shall appoint one member to the Dispute Board.
- The members so appointed shall jointly appoint an additional member to the Dispute Board.
- The Dispute Board shall review the facts, Agreement terms, applicable statutes and rules and make a determination.

GOVERNANCE

This Agreement is entered into pursuant to and under the authority granted by the laws of the state of Washington and any other applicable law. The provisions of this Agreement shall be construed to conform to those laws.

Any inconsistency in the terms of this Agreement, or between its terms and any applicable statute or rule, shall be resolved by giving precedence in the following order:

1. Applicable state and federal statutes and rules;
2. Statement of Work; and all Attachments
3. Any other provisions of the Agreement, including materials incorporated by reference.

ASSIGNMENT

The work to be provided under this Agreement, and any claim arising there under, is not assignable or delegable by either party in whole or in part.

WAIVER

Unless the Agreement is amended in writing by an authorized representative of DOL and the TBD, waiver of a default under this Agreement, or failure by DOL or the TBD to exercise its rights shall not:

- be considered a modification or amendment to the Agreement; or
- constitute a waiver of any subsequent default.

LIMITATION OF STATE LIABILITY

The parties agree that in no event shall the state of Washington, the Department, the Director of the Department or any Department employees, be liable to Contractor for any damages, costs, lost production, or any other loss of any kind for failure of the Department's equipment, hardware or software to perform for any reason, or for the loss of consequential damage which is the result of acts of God, strikes, lockouts, riots, acts of war, epidemics, acts of fire, failure of communications or computer equipment, facilities, or software, power failures, nuclear accidents or other disasters.

The state of Washington, the Department, the Director of the Department or any Department employee shall not be liable for any claim of any nature against Contractor by any party arising from any failure in the service furnished by the Department under this Agreement, for any errors, mistakes or acts on the part of the Department or its agents which result in the failure of the Department's equipment or software which fails to perform for any reason or for any other loss or consequential damage which is a result of acts of God, strikes, lockouts, riots, acts of war, epidemics, acts of fire, failure of communications or computer equipment, facilities, or software, power failures, nuclear accidents or other disasters.

SEVERABILITY

If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this Agreement, and to this end the provisions of this Agreement are declared to be severable.

INTERLOCAL AGREEMENT

This is an interlocal agreement entered into pursuant to the authorization of Chapter 39.34 RCW. Accordingly, the following provisions are set forth in accordance with the provisions of RCW 39.34.030.

- This Agreement shall be perpetual unless terminated as herein provided.
- No separate legal or administrative entity is created by this Agreement.
- The cooperative undertakings of the parties shall be financed as provided herein. Each party shall separately establish and maintain a budget for its own functions.
- No joint property shall be acquired, held or disposed of. Any real or personal property used in the joint or cooperative undertaking shall be considered to be and remain the property of the party who purchased such real or personal property.
- This Agreement shall be effective when posted on the website of either the DOL or the jurisdiction in which the TBD has been created in accordance with RCW 39.34.040.

CONTRACT MANAGEMENT

The Contract Manager for each of the parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this Agreement.

Contract Manager for TBD is:	The DOL Contract Manager is:
xxxxx	Jennifer Dana
XXXXXXXXXX TBD	Department of Licensing
xxxxxx	PO Box 2076
XXXXXXXXXX,	Olympia, WA 98507-2076
Phone: xxxxxx	Phone:(360) 902-3673
FAX: (xxxxx	FAX: (360) 570-7861
E-Mail: xxxxxx	E-Mail: jedana@dol.wa.gov

ALL WRITINGS CONTAINED HEREIN

This Agreement consists of twelve (12) pages including the following attachments:

- A = Statement of Work
- B = Vehicles Subject to the Vehicle Fee under RCW 82.80.140
- C = Vehicle Not Subject to the Vehicle Fee under RCW 82.80.140

This Agreement sets forth in full all the terms and conditions agreed upon by the parties. Any other agreement, representation, or understandings, verbal or otherwise, regarding the subject matter of this Agreement shall be deemed to be null and void and of no force and effect whatsoever, with the following exceptions.

1. *Exception #1-* If TBD enters into an IVIPS agreement that is also required to obtain vehicle information. The IVIPS agreement does not null and void this Agreement with TBD, nor does this Agreement null and void the IVPS Agreement entered into by the TBD.
2. *Exception #2 -* If TBD enters into a separate data sharing agreement to obtain vehicle information. The separate data sharing agreement does not null and void this Agreement or the IVIPS Agreement, nor does this Agreement null and void any separate data sharing agreement entered into by the TBD.

IN WITNESS WHEREOF, the parties have executed this Agreement, affirm they have the authority to bind their respective parties to the terms and conditions of this Agreement.

XXXXXXXXXX Transportation Benefit District

State of Washington
Department of Licensing

(Signature) (Date)

Julie Knittle, Assistant Director (Date)

(Print Name & Title)

APPROVED AS TO FORM ONLY

(Federal Tax Identification Number or UBI)

Signature on file June 1, 2009
Diane McDaniel.AAG (Date)

APPROVED AS TO FORM:

Attorney for TBD (Signature) (Date)

**ATTACHMENT A
STATEMENT OF WORK**

The Transportation Benefit District (TBD) shall furnish the necessary personnel, equipment, material and/or services and otherwise do all things necessary for or incidental to the performance of work as set forth below:

FOR ADMINISTRATION AND COLLECTION OF THE VEHICLE FEE

RESPONSIBILITIES OF THE TBD

The TBD shall:

1. Provide DOL with a completed Vehicle/Vessel Disclosure Agreement Application.
2. Enter into the standard IVIPS agreement in order to be provided with access to the optional IVIPS.
3. Provide DOL with a legible copy of the official signed and dated Ordinance that establishes the Transportation Benefit District (TBD) fee.
4. Submit to DOL the TBD phone number to be printed in the fee notice text section on the vehicle license renewal notice.
5. Be the primary point of contact to respond to inquiries or disputes from citizens who have questions about the fee.
6. Handle all contacts and/or disputes regarding boundaries and/or questions regarding the TBD or its collection of fees.
7. Agree that any omitted or incorrect addresses that result in the fee not being charged for the current billing cycle will not be collected by DOL during the current cycle, and that DOL will charge the fee during the next billing cycle if Department of Revenue's (DOR) data is updated, DOL has a reasonable amount of time to accomplish necessary computer changes, and the address is within the TBD boundary.
8. Process and issue any refunds or shortages that may be due. It is anticipated that TBD refunds will be largely due to boundary disputes.
9. Verify boundary and sub boundary information of the TBD against the information provided in the DOR GIS system to ensure an address taxing location code is appropriately identified for fee collection. Notify DOR of any changes to initiate computer-programming updates for proper fee collection, as zip codes are added or changed within the boundary or sub area boundary assignment of the TBD.

RESPONSIBILITIES OF DOL

DOL shall:

1. Insert the imposed vehicle fee on the renewal notices for vehicles subject to the fee that are listed in *Vehicles Subject to the Vehicle Fee under RCW 82.80.140 Table*, Attachment B, and are within the TBD boundary.
2. Not impose the fee for vehicles as defined by law as "Not Subject" to the fee by statute and are listed in *Vehicles Not Subject to the Vehicle Fee under RCW 82.80.140 Table*, Attachment C.

3. Provide standard language on renewal notices to direct customers who have questions regarding the TBD fees to the designated TBD contact telephone number for questions regarding the fee.
4. Use data from the DOL file as the primary source for identification when assessing the fee for a vehicle registered within a TBD area. If the jurisdiction location code is one of the TBD areas, then DOL will apply the charge to the vehicle and notify the owner of the fee by using a paper or electronic renewal notice. If a match cannot be found within the data from the DOL file, then the customer will not be billed the TBD fee. DOL will not use any other data source to determine TBD fee liability.
5. Administer and collect the appropriate annual vehicle fees of up to \$20.00 per vehicle, at the time of registration renewal, pursuant to RCW 82.80.140.
6. Retain one percent (1%) of all fees collected in payment for the incurred expenses for the administration and collection of TBD fees and for fees associated with the optional IVIPS agreement deposit and individual inquiries (i.e. each look-up).
7. Not be responsible for the issuance of any refunds or shortages of the fee collected on behalf of TBD for boundary disputes when a customer claims they do not live in a TBD's jurisdiction.
8. Not be responsible or liable for any incorrect or omitted notices sent because TBD provided information to DOR in error.
9. Not make corrections or issue replacement paper or electronic renewal notices. (The annual vehicle TBD fee will be inserted onto renewal notices for the next billing cycle of that vehicle).
10. Not be obligated to recover actual or perceived revenue loss of the fee due to errors from data provided to DOL from DOR for boundary discrepancies.
11. Not be responsible for inquiries and/or disputes of customers regarding the fees imposed by the TBD, except to direct the customer to the contact information provided to DOL by the TBD.
12. Provide customers with information on the DOL webpage, which includes contact information for TBD.
13. Provide vehicle licensing Agents, Subagents and DOL staff with information to explain the TBD fee, which includes a list of TBD contact information.
14. Not be responsible for the timeliness of the state treasurer's monthly distribution of funds.
15. Not be responsible to provide TBD with data requests, except through the optional IVIPS, unless the TBD enters into a separate data sharing agreement pursuant to RCW 46.12. Costs associated with data requests are not included in the one percent (1%) retained for administration and collection expenses pursuant to RCW 82.80.140.

16. If requested provide the TBD with access to IVIPS provided TBD enters in to the standard IVIPS agreement, in order for the TBD to access information sufficient to process refunds and assist in responding to TBD customer inquiries.

ATTACHMENT B
VEHICLES SUBJECT TO THE VEHICLE FEE UNDER RCW 82.80.140

The annual vehicle fee is due for each vehicle subject to license tab fees under RCW 46.16.0621 and for each vehicle subject to gross weight fees under RCW 46.16.070 with an unladen (scale) weight of 6,000 pounds or less.

Vehicles registered with Disabled American Veteran Exemption would be exempt from the tax. The annual vehicle licensing fee applies only when renewing a vehicle registration, and is effective upon the registration renewal date as provided by the Department of Licensing.

The following vehicles are subject to the vehicle licensing fee:

Use Class	Description	What makes it Subject...
CAB	Taxicab	46.16.0621
CMB (powered)	Combination	46.16.070, if scale weight is 6000 pounds or less
COM (powered)	Commercial vehicle	46.16.070, if scale weight is 6000 pounds or less
CYC	Motorcycle	46.16.0621
FIX	Fixed Load vehicle	46.16.070, if scale weight is 6000 pounds or less
F/H, 6 seats or less	For Hire	46.16.0621
F/H, 7 seats or more	For Hire	46.16.070, if scale weight is 6000 pounds or less
H/D	House Moving Dolly	46.16.0621
LOG(powered)	Used Exclusively for hauling logs	46.16.070, if scale weight is 6000 pounds or less
MH	Motor home	46.16.0621
MOB	Mobile Home	46.16.0621(if actually licensed)
PAS	Passenger vehicle	46.16.0621
STA, 6 seats or less	Stage	46.16.0621
STA, 7 seats or more	Stage	46.16.070, if scale weight is 6000 pounds or less
TLR	Private –use trailer (if over 2000 pounds scale weight)	46.16.0621
TOW	Tow truck	46.16.0621
TRK	Truck	46.16.070, if scale weight is 6000 pounds or less
TVL	Travel trailer	46.16.0621

ATTACHMENT C
VEHICLES NOT SUBJECT TO THE VEHICLE FEE UNDER RCW 82.80.140

The following vehicles are specifically exempted from the vehicle licensing fee:

- a) Farm tractors or farm vehicles as defined in RCW 46.04.180 and 46.04.181;
- b) Off-road and non highway vehicles as defined in RCW 46.09.020;
- c) Vehicles registered under chapter 46.87 RCW and the international registration plan; and
- d) Snowmobiles as defined in RCW 46.10.010.

The following vehicles are not subject to the vehicle fee:

Use Class	Description	What makes it Subject...
C/G	Converter Gear	Not Licensed
CMB non powered	Trailers	Not subject to license fees
CMP	Campers	Exempt under RCW 46.16.505
COM non powered	Commercial	Licensed under 46.16.085
EX	State, County, City, Indian	Not subject to license fees
FAR	Farm	Exempt per language in bill/law
FCB	Farm Combination	Exempt per language in bill/law
FED	Federally Owned	Not subject to \$30 license fee
FEX	Farm Exempt	Not subject to license fees
H/C (i.e., Antique vehicle)	Horseless Carriage(see specific use class for vehicle type)	Not subject to license fees
LOG (non powered)	Used exclusively for hauling logs	Licensed under 46.16.085
ORV	Off Road Vehicles	Exempt per language in bill/law
PED	Moped	Licensed under 46.16.630
RES	Restored and Collector Vehicles	Not subject to license fees
SCH	Private School	Not subject to license fees
SNO	Snowmobiles	Exempt per language in bill/law
SNX	State, County, City owned snowmobiles	Not subject to license fees
TLR	Personal use trailers, single axle (less than 2,00 pounds scale weight)	Exempt. Licensed under RCW 46.16.086

Transportation Benefit District Board

Item 50C

**City of Lynnwood
Special Meeting
November 22, 2010
6:00 P.M.**

TITLE: Consideration, discussion, and possible action on an Interlocal between the TBD and the Cities Insurance Association of Washington

DEPARTMENT: Public Works

DEPARTMENT CONTACT: Jeff Elekes and David Mach

BACKGROUND: The TBD is a separate corporate entity and can sue or be sued in that capacity. Councilmembers serve on the TBD in an ex officio capacity. Since the TBD essentially has no assets, it is likely that any suit against the TBD could name the individual Councilmembers. Lawsuits based on negligent design or improvements are a possibility. Insurance provides a safety net both for defense costs and any liability that may accrue to the TBD.

Staff has discussed TBD liability insurance requirements with the Cities Insurance Association of Washington (CIAW, the City of Lynnwood's current insurance provider) and the City Attorney. Both CIAW and the City Attorney recommend that the TBD obtain a separate liability policy (separate from that of the City of Lynnwood) that would name the TBD specifically.

The policy would have the same limits and coverage as the current City of Lynnwood policy. The TBD would have its own separate liability limit of \$10,000,000. This limit would not be shared with the City of Lynnwood. If each entity were named in a lawsuit, each entity would be protected separately up to \$10,000,000 each.

The annual premium for TBD liability insurance coverage would be \$2,000. The City of Lynnwood will pay the \$2,000 (because the TBD currently has no funds) and be reimbursed by the TBD after June 2011 after the TBD begins receiving revenue (per the Interlocal between the TBD and the City of Lynnwood).

ACTION: Consider, discuss, and possibly authorize the TBD Board President to sign an interlocal agreement between the TBD and the Cities Insurance Association of Washington.

ATTACHMENTS:

None

50C-1